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Field, Newhouse Unit

2 News Services Announce Merger

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Two news organizations have agreed to offer their reporting and commentary in a new national news service.

Field Enterprises, which publishes the Chicago Daily News and Chicago Sun-Times, and the Newhouse newspapers will combine their reporting on a national wire service network. In addition a spokesman said, the national and Latin American coverage of the Knight newspapers, already offered by the Chicago Daily News wire, will be expanded.

In effect the Chicago Daily News Service—which now operates during the early morning hours, serving mostly afternoon newspapers—will be expanded to handle the additional material.

The new wire will be centrally edited and filed from Chicago.

The major factor in the decision, industry sources stated, was a desire to cut costs by sharing wire facilities. The new service is expected to be operational by March 1.

Founded in 1898, The Chicago Daily News offered the first major supplemental service for other papers. It has been particularly noted for its in-depth foreign coverage.

In more recent years, it has been surpassed in number of clients by both The New York Times News Service and the Los Angeles Times/Washington Post News Service. At the same time, other newspaper wire services have been discontinued: The New York Herald Tribune service ended with the demise of that paper and the Chicago Tribune-New York News wire was discontinued last year.

The impetus for the Field-Knight-Newhouse decision is a press rate case now before the Federal Communications Commission. Starting in 1963, the American Telephone & Telegraph Co. and Western Union sought

to end traditional preferential rates for press users. Newspaper publishers and news organizations argued increased rates would impair widespread dissemination of news, but an FCC examiner recommended last June that press rates be abolished. The FCC has set full oral arguments in the case for Jan. 19.

Fearful of new costs for leased wires from AT&T and Western Union—in some cases double present costs—news services have discussed sharing facilities under new "multiplex" equipment, which permits multiple telegraph channels on one basic leased line.

The Knight-Newhouse-Field wire would use one such channel of a national wire planned by Reuters. Reuters plans to lease other channels on the same wire to various news organizations.

The new hookup will allow Newhouse to service its own papers with Washington and other national coverage of the Knight staff and its own Newhouse National News Service. The major goal of Newhouse has been to continue a direct wire to its newspapers without incurring greatly increased wire costs.

Observers of the news media predict the combination may also offer a potent news service for other newspapers. The new service would become the third-largest supplemental wire service in the nation—behind the services of The New York Times and Los Angeles Times/Washington Post.

The supplemental wires have become significant parts of many newspapers' over all news package, particularly in such areas as interpretive reporting and analysis, exclusive news dispatches, science coverage, and critical assessments in the arts—often at the expense of other news services. The supplemental

wires have also led to a number of changes in the operation of traditional wire services, with more emphasis on analysis, investigative reporting, and more lengthy articles.

At present The New York Times says it has more than 300 subscribers around the world, including more than 200 in the U.S. The Los Angeles Times/Washington Post service says it has 300 clients, over all, with about 180 in the U.S. The Chicago Daily News Service has more than 90 clients at present, including Knight chain's papers. The Newhouse service now goes to papers in 14 cities.

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